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FINANCING OF THE UNITED NATIONS PROTECTION FORCE

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the addendum to the report of the Secretary-General on the financing of the United Nations Protection Force (UNPROFOR) (A/47/741/Add.1 and Corr.1). During its consideration of the item, representatives of the Secretary-General provided additional information to the Committee.

2. Paragraphs 1 to 49 of the Secretary-General's report provide the standard information regarding, inter alia, the mandate of UNPROFOR, its enlargements and operational plan, status of assessed contributions, voluntary contributions, financial administration, financing of the Force for the period 21 February to 31 March 1993, financial performance report for the period from 12 January 1992 to 31 March 1993, cost estimates for the period from 1 April to 30 June 1993 and for the additional start-up requirements for the expansions of the Force, cost estimate for the period from 1 July 1993 to 30 June 1994 and status of reimbursement to troop-contributing States.

3. In paragraph 50 of his report, the Secretary-General requests that the following actions be taken by the General Assembly in connection with the financing of UNPROFOR:

(a) To extend the first financial period to 31 March 1993 and to consolidate and administer the resources provided to UNPROFOR for the period from its inception to 31 March 1993;

(b) To appropriate $27,759,900 gross ($27,269,300 net) authorized with the prior concurrence of the Advisory Committee under General Assembly resolution 47/210 for the maintenance of UNPROFOR for the period from 21 February to 31 March 1993;

(c) To appropriate $227,584,900 gross ($226,132,800 net), including the amount of $151,193,575 gross ($149,477,002 net) authorized with the prior

concurrence of the Advisory Committee for maintaining UNPROFOR for the period from 1 April to 30 June 1993;

(d) To appropriate and apportion the amount of $79,137,400 to meet the additional start-up requirements for the enlargements of UNPROFOR in the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina;

(e) To appropriate and/or grant commitment authorization of such additional amounts, as appropriate, for the period after 30 June 1993;

(f) To establish the special financial period of UNPROFOR for 12 months, effective 1 July 1993, subject to the continuation of UNPROFOR by the Security Council;

(g) To apply to UNPROFOR the proposed special arrangements as regards article IV of the Financial Regulations of the United Nations (A/47/741/Add.1, para. 23).

Expenditure from 12 January 1992 to 31 March 1993

4. The savings (overruns) incurred in respect of the main objects of expenditure of UNPROFOR from its inception to 31 March 1993 are summarized in annex I to the report as follows:

	US dollars
Military personnel costs	4 268 700
Civilian police monitors	977 100
Civilian staff costs	(180 600)
Premises/accommodation	3 391 000
Air operations	147 000
Transport operations	(4 316 200)
Communications	(2 546 900)
Other equipment	(2 779 600)
Supplies and services	1 202 000
Freight and cartage	(162 500)
Support account	-
Integrated Management Information System	-
Staff assessment	-
Net total	-

5. The Advisory Committee notes that the substantial savings under military personnel costs are due to the high vacancy rate of military observers in the mission area ($754,900) and savings under troop reimbursements ($3,821,000), rations ($1,936,100) and daily allowance ($260,700) owing to the lower number of troop months served which were partially offset by additional requirements for clothing and equipment allowance ($661,800), welfare ($283,200), mission subsistence allowance ($23,700) and travel ($1,535,300) (annex II, paras. 1-5).

6. The Committee points out that savings and overexpenditures should be fully substantiated in the financial performance reports on peace-keeping operations. For example, the Committee was not able to assess the overexpenditures for

travel of military personnel ($1.5 million) without additional information. In this connection, the Committee was informed that the additional requirements for travel were due to the emplacement of troops through commercial air carriers rather than troop contributors.

7. The Committee points out that no supplementary information has been provided with regard to the smaller number of civilian police monitors in the mission area and related savings ($977,100), additional requirements for travel of civilian staff ($605,500) or savings for mission subsistence allowance (MSA) and for local staff ($424,900) (annex II, paras. 7 and 8). Upon inquiry, the Committee was informed that the additional travel costs for civilian staff were due to more frequent travel for ongoing consultations and preventive diplomacy.

8. The Committee notes that savings totalling $4,316,400 were made under rental of premises, maintenance services, utilities and prefabricated buildings which were partially offset by additional requirements of $925,400 for renovation of premises and maintenance supplies (annex II, para. 9). According to annex II, paragraph 13, plans for the acquisition of additional prefabricated units and construction projects were postponed owing to the uncertainty of renewing UNPROFOR's mandate. The Committee understands that more accommodation facilities were available in the mission area and at lower cost than initially estimated.

9. According to annex II, paragraphs 14 and 15 of the report, changes in the number of aircraft and configuration of the air fleet resulted in savings ($926,700), which were partially offset by additional requirements ($779,700). The Committee points out that changes in air operations should be specified in the financial performance report, indicating the planned and actual scope of operations in the mission area, number and type of aircraft, date of actual deployment, flying hours, hire/charter costs, insurance, ground handling and allowances for air crew.

10. The Committee further notes that no supplementary information was provided with regard to the need for overexpenditures under communications ($2,546,900) and other equipment ($2,779,600) (annex II, paras. 18 and 19).

11. While reiterating the need for adequate information and analysis on performance, the Committee recommends that the General Assembly appropriate the amount of $27,759,900 gross ($27,269,300 net), authorized with the prior concurrence of the Advisory Committee under paragraph 7 of Assembly resolution 47/210, for the maintenance of UNPROFOR for the period from 21 February to 31 March 1993.

12. The Committee notes the information provided in paragraph 20 of the report concerning the Trust Fund for the Common Costs of the Bosnia and Herzegovina Command covering the additional United Nations administrative expenses related to the enlargement of UNPROFOR to provide protection to humanitarian relief convoys. The Committee points out that there is a need to provide more information on the expenditure incurred by the Fund and that the balance as at 31 March 1993 and any subsequent contributions to the Fund should be reflected in the next performance report.

Cost estimates from 1 April to 30 June 1993

13. The cost estimates for the above period provide for a total average of 23,224 military personnel (17,842 troops, 4,982 logistic/support personnel and 400 military observers) out of an authorized strength of 24,628 (annex VIII), 630 civilian police monitors, 510 international civilian staff and 859 local staff (annex V, paras. 6-8); explanatory notes on the basis for the estimated civilian staff costs are indicated in annex V, paragraph 9. The Committee is of the view that, taking into account the difficulties and delays in the deployment of troops in the mission area (see para. 14 below) and the budgeted military strength of about 95 per cent, there is a potential for savings.

14. With regard to the provision of $70.6 million for standard troop cost reimbursement (annex V, para. 16), the Secretary-General points out that UNPROFOR has been unable to meet its obligations on a current basis to troop-contributing countries owing to considerable delays in payments of assessed contributions by some Member States (A/47/741/Add.1, para. 48). The Committee was informed that as at 30 June 1993 the amount due to troop-contributing States totalled $102.6 million and that it had not been possible to reimburse troop contributors since October 1992 owing to lack of resources. The representatives of the Secretary-General pointed out the great difficulty in retaining or increasing troops in peace-keeping operations because of the increasingly long delays in reimbursing troop-contributing countries.

15. According to annex V, paragraph 2, mission subsistence allowance will be paid to all military observers, civilian police monitors and international civilian staff at $150 per person per day for the first 30 days, $120 per day thereafter in Bosnia and Herzegovina and $110 per day thereafter in all other locations of the mission area. Upon inquiry, the Committee was informed that as a result of the review of the MSA rates and the Committee's observations in its first report on UNPROFOR (A/46/893, para. 11), the rate was reduced by $10 for the period after 30 days in the mission area. The Committee recommends that the MSA rate at UNPROFOR be kept under review to ensure that it is not substantially higher than the average per diem applicable to all other eligible staff in the mission area.

16. According to annex V, paragraph 10, the civilian staff costs include a vacancy factor of 40 per cent for international civilian staff and of 25 per cent for local staff. In view of the large vacancy rate at UNPROFOR, the Advisory Committee is of the view that it would have been useful to indicate in the report the average number and duration of vacancies of international and local staff since inception of the mission and to explain the estimated vacancy factor for this period. The Committee was informed that the actual vacancy rate of international civilian staff is 44 per cent. Considering that almost half of the international posts at UNPROFOR remain vacant, the Committee believes that it may be more cost-effective and practical to discontinue a number of established posts rather than to include a 40 per cent vacancy factor in the budget estimates.

17. The Committee notes that the cost estimates provide for the employment of 216 international personnel on a contractual basis ($2,067,400) at an average cost of $3,545 per person per month, including food allowance and rent, taking into account a 10 per cent vacancy factor (annex V, paras. 11 and 34). Upon

inquiry, the Committee was informed that, in view of the high vacancy rate of international civilian and local personnel in the mission area, international personnel (mainly technical staff) were being contracted through agencies based on the lowest offers through international bidding procedures. It is proposed to increase the number of international contractual personnel from 216 to 586 for the period starting 1 July 1993, including 345 personnel for convoy protection (annex IX). The Committee was further informed that the contractors pay the contracted staff directly for their services at sometimes different rates for the same work; such personnel were usually teams experienced in fieldwork and suitable to serve in peace-keeping operations, except leadership positions.

18. The Committee is of the view that in missions where the United Nations is required to contract personnel to perform certain functions, the rates should be based on the nature of the services provided and not on the pay standards of the country of origin. The Committee notes that the United Nations should ensure compliance with the principle of equal pay for equal work and that it would be useful to establish safeguards against the possibility of abuse and the exploitation of vulnerable groups by contractors.

19. Considering the positive experience with volunteers in election monitoring as a cost-effective and efficient contribution to peace-keeping, the Committee reiterates its recommendation that the use of volunteers in peace-keeping operations should be expanded (A/47/763, para. 49). Furthermore, the Committee recalls its recommendation that, in operations with a large civilian component such as UNPROFOR, it would be useful to request Member States to provide additional qualified civilian personnel to carry out non-core functions, thus reducing the costs of particularly large operations and containing the use of the limited resources of the Secretariat (see A/45/801, para. 33; A/46/893, para. 17; A/46/904, para. 18; A/46/945, para. 21).

20. The cost estimates provide for death and disability compensation in the amount of $3,450,000 (annex V, para. 23); no additional information has been provided for the basis of this provision. The Committee reiterates its view that the estimated compensation needs to be substantiated, indicating payments made during the previous mandate period and the related number of beneficiaries (see A/47/763, para. 23).

21. The Committee notes that provision of $21.4 million is made for payment to troop-contributing countries for contingent-owned equipment (annex V, para. 24); no additional information has been provided. The Committee reiterates that the list of contingent-owned equipment and the related value should be known and be provided to the Committee to enable it to assess the estimated costs for reimbursement, taking into account the substantial amount involved. In this connection, the representatives of the Secretary-General indicated the considerable delays in the submission of relevant information from Governments to reimburse the costs. Furthermore, the United Nations does not have the capability to evaluate such equipment and needs to obtain the expertise of Governments. In view of the foregoing, the Committee believes that there is a need to simplify the current procedures to expedite such reimbursement.

22. The costs for premises/accommodation for the three-month period from 1 April to 30 June 1993 are estimated at $10.6 million (annex V, paras. 35-42),

excluding start-up requirements for the expansion of UNPROFOR (annex VI). Upon inquiry, the Committee was informed that the mission was required to enhance accommodation facilities which were previously provided free of cost. The Committee recalls its observations in its first report on UNPROFOR (A/46/893, para. 19) and is of the view that the estimated costs for premises and accommodation are high.

23. According to annexes IV and V to the report, the estimated requirements for air operations for the three-month period amount to $8,549,400. The Committee was informed that the air operations for UNPROFOR were procured and contracted at Headquarters and in this respect there was no procurement delegation to the mission. The Committee was further informed that in view of the relatively large number of accidents in the mission area, only certified operators would henceforth be considered; however, the revised operating procedures and higher safety standards would increase the costs for air operations. The costs for insurance under air operations are indicated in annex XI.

24. With regard to transport operations ($21,053,400), the Committee notes that provision is made for the initial rental of 70 transport vehicles ($1,458,600). The Committee is of the view that proper planning and early acquisition of vehicles would reduce the need for initial rental of vehicles and result in savings. The Committee further believes that the provision for spare parts, repairs and maintenance of vehicles for three months ($7,146,700) at an annual rate of $1,000 for 1,058 United Nations-owned vehicles and at $5,000 for 6,141 contingent-owned vehicles is high (annex V, paras. 58 and 59).

25. The costs for other equipment are estimated at $1,200,000 and for supplies and services at $8,728,600 (annex V, paras. 67-82). The Committee points out that no provision is made under audit services for this period (ibid., para. 69). Considering the magnitude of UNPROFOR and the estimated substantial costs, the Committee is of the view that audit services should have been provided to UNPROFOR for the period from 1 April to 30 June 1993 to ensure proper financial control.

26. As regards medical supplies ($1,200,000) at $400,000 per month (annex V, para. 79), in addition to medical services ($75,000) at $25,000 per month (ibid., para. 73), the Committee was informed that assistance to the local population is not provided by UNPROFOR.

27. With regard to the provision of $906,500 under the support account for peace-keeping operations (annex V, para. 84), the Committee refers to its observations in its first report on UNPROFOR (A/46/893, para. 28), namely, that 8.5 per cent of the total cost of salaries, common staff costs and travel of the civilian staff in the mission area may not be fully required, considering the large civilian establishment of UNPROFOR. The Committee intends to review this ratio in the context of its consideration of the Secretary-General's proposals on the support account in his report to the General Assembly.

28. The Committee recommends that the General Assembly appropriate the amount of $227,584,900 gross ($226,132,800 net), inclusive of the amount of $141,193,575 gross ($139,477,002 net) authorized with the prior concurrence of the Advisory Committee under paragraph 7 of General Assembly resolution 47/210 and $10 million authorized by the Advisory Committee under paragraph 1 of

General Assembly resolution 46/187 on unforeseen and extraordinary expenses for the biennium 1992-1993, and assess the amount of $86,391,325 gross ($86,655,798 net) 1/ for the maintenance of UNPROFOR for the period from 1 April to 30 June 1993.

Cost estimates of the additional start-up requirements for the expansion of UNPROFOR

29. The additional start-up requirements in connection with the expanded operations of UNPROFOR in the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina covering the renovation of premises, acquisition of prefabricated units, transportation, communications and other equipment are estimated at $79,137,400 (A/47/741/Add.1, para. 40). In this connection, the Committee understands that the above estimates, including the proposed arrangements in respect of the safe areas, may be subject to change depending on new developments in the mission area.

30. Provision of $25.9 million has been made for the construction of prefabricated buildings in Bosnia and Herzegovina to accommodate 5,000 personnel (annex VI, para. 10). The Committee is of the view that the estimated costs for premises, especially prefabricated buildings at a unit cost of $4,500 for accommodation, $9,500 for ablution units and $1,000 for kitchen/dining facilities, excluding accommodation equipment estimated at $3.2 million (ibid., para. 39), are high, taking into account the substantial savings during the initial mandate period (see para. 8 above). The Committee further believes that there may be no need to provide accommodation for 5,000 additional personnel in the mission area and that there is a potential for substantial savings under this item.

31. With regard to transport operations, provision of $16.8 million is made for the purchase of 39 additional vehicles for the former Yugoslav Republic of Macedonia, 343 vehicles for convoy protection in Bosnia and Herzegovina and 20 armoured jeeps for the safe areas (annex VI, para. 12); the type of vehicles and the unit costs are indicated in annex XII and the proposed total vehicle establishment in annex XVIII.

32. The Committee believes that it would have been useful to provide a breakdown of the proposed allocation of additional vehicles per staff in the various units and areas in the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina. Considering the proposed large total number of 1,637 vehicles compared to a vacancy rate of over 40 per cent for international civilian staff and 25 per cent for local staff (see para. 16 above) and the substantial costs involved, the Committee believes that there is a potential for savings. The Committee further notes that in view of the high unit costs of $150,000 for one armoured jeep (annex XII), the Secretary-General may wish to invite Member States to provide such vehicles to UNPROFOR at preferential rates or on loan with a view to reducing the costs of large operations.

33. The estimated requirements under communications for the former Yugoslav Republic of Macedonia ($2,879,000), convoy protection in Bosnia and Herzegovina ($6,986,600) and safe areas ($816,500), totalling $10,682,100, are described in annex VI, paragraphs 18 to 31, with related cost estimates in annex XIII of the report. The estimated requirements for other equipment, including office

equipment ($1,219,700), data-processing equipment ($1,842,000), accommodation equipment ($3,171,000) and generators ($8,324,400), totalling $19,816,900, are indicated in annex VI, paragraphs 35 to 48 and related cost estimates in annexes XIV to XVII. The Committee is of the view that the cost estimates for the above equipment are high and that economies can be made. For example, the unit costs for a laptop computer and printer are estimated at $3,900 (annex XVI), considerably above the commercial rates for standard equipment.

34. In this connection, the Committee reiterates the need to ensure that the acquisition of equipment is compatible with the needs of the mission (A/45/1005, para. 18). Furthermore, the Committee recalls that the proposed equipment should not be more sophisticated than required for the operation, based on normal standards and actual needs, taking into account the local environment (A/46/893, para. 26; A/46/904, para. 24; A/46/916, para. 62; A/46/945, para. 31).

35. Considering the Committee's observations in paragraphs 29 to 34 above and the number of areas where savings can be achieved, especially under premises/accommodation, the Advisory Committee recommends that the General Assembly appropriate and assess the amount of $55 million gross to meet the additional start-up requirements for the enlargements of UNPROFOR in the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina.

Cost estimates from 1 July 1993 to 30 June 1994

36. According to annex IV of the report, the total costs for the 12-month period from 1 July 1993 to 30 June 1994 are estimated at $924,785,400 gross ($917,816,700 net); the estimated monthly cost of maintaining UNPROFOR for the above period amounts to $77,065,450 gross ($76,484,725 net), excluding non-recurring costs for start-up items required in connection with the expansions in the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina (A/47/741/Add.1, para. 42). Considering the substantial additional requirements related to the full implementation of a number of Security Council resolutions 2/ for which cost estimates have not been submitted yet to the Advisory Committee and any possible future modifications and expansions of UNPROFOR as well as the continuously changing situation in the mission area and other developments which may have an impact on the operational structure of UNPROFOR and its administrative and budgetary requirements, the Committee is of the view that the cost estimates for the 12-month period starting on 1 July 1993 are only indicative. In this connection, the representatives of the Secretary-General stated that the current cost estimates would need to be revised following the finalization of the approved and possible other enlargements of UNPROFOR within the next months.

37. In view of the aforesaid, the Committee is of the view that an examination of the above cost estimates for the 12-month period starting on 1 July 1993 on the basis of the information available at present would be preliminary and based on assumptions which are subject to change. In the circumstances, bearing in mind that the current mandate of UNPROFOR has been extended to 30 September 1993 and taking into account the potential for savings, as reflected in the performance report on UNPROFOR and the cost estimates until 30 June 1993, the Committee recommends that the General Assembly, at this stage, appropriate and

assess $200 million gross for the maintenance of UNPROFOR at the current level for the period from 1 July to 30 September 1993.

38. The Committee believes that the above amount, in addition to the assessment of $86.4 million gross for the period from 1 April to 30 June 1993 (see para. 28 above) and an assessment of $55 million gross for the additional start-up requirements for the enlargements of the Force in the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina (see para. 35 above), should be adequate for the maintenance of UNPROFOR for the three-month period until the Secretary-General submits such additional requirements of UNPROFOR as may be necessary for the period starting 1 October 1993. That report should include detailed information on the performance of UNPROFOR to that date and indicate the consolidated operational structure of the mission for all mandates in an integrated and coherent manner.

39. As regards the Secretary-General's proposal to apply the special arrangements as regards article IV of the Financial Regulations of the United Nations (A/47/741/Add.1, paras. 23 and 24) to UNPROFOR, the Committee concurs in his request on an exceptional basis, taking into account the particular circumstances of UNPROFOR and its financial status, on the understanding that the relevant provisions of General Assembly resolution 45/265 were intended for the United Nations Transition Assistance Group (UNTAG) and not for across-the-board application in all peace-keeping operations. In this connection, the Committee recommends that the Secretary-General enhance his communication with troop-contributing States so that the Member States concerned submit the relevant information and claims under the Financial Regulations in a timely manner.

40. With regard to the Secretary-General's statement in paragraph 45 of his report concerning the need for continuing financial authorization for peace-keeping operations in the event that the requirements for extensions and/or enlargements exceed the provisions of General Assembly resolution 46/187 on unforeseen and extraordinary expenses for the biennium 1992-1993, the Committee cautions against such a continuous practice. In this connection, the Committee reiterates its view that the Secretary-General should streamline procedures to expedite the issuance of his reports on the financing of peace-keeping operations, thus enabling the General Assembly to take appropriate action in a timely manner.

Notes

1/ The higher net figure is due to a change in the basis for calculating staff assessment from a vacancy factor of 35 per cent to a vacancy factor of 40 per cent.

2/ See S/25777, paras. 22 and 25; S/25939/Add.1; and S/25954/Add.1.